



THE HIGHSTAKES 3PL BUYER'S GUIDE

Avoid Costly Mistakes and Pick a Partner That *Actually Delivers*

How to evaluate 3PL's the *right way* so you can choose a partner that boosts performance and scales with you, all while protecting your bottom line.

Introduction

The global third-party logistics (3PL) market size was valued at USD 1.6 trillion in 2025. The market is expected to grow from USD 1.8 trillion in 2026 to USD 4.3 trillion in 2035, at a CAGR of 10.1%, according to latest report published by Global Market Insights Inc.” (GM Insights, 2025)

<https://www.gminsights.com/industry-analysis/third-party-logistics-3pl-market-size>

Businesses are evaluating whether to outsource their logistics and searching for a 3PL partner that delivers accuracy, speed, visibility, and the ability to scale alongside their growth.

This guide will give you the knowledge and tools to make informed decisions, avoid costly mistakes, and ensure you're getting the best value out of your 3PL investment.

We'll break down:



Why Companies Start Looking For a New 3PL



What to Look For in a 3PL Partner and the Capabilities Every Logistics Provider Must Have in 2026



How to Catch Hidden Fees Before They Drain Your Margins



The KPIs your SLA Needs to Protect your Business



21 Must-Ask Questions When Evaluating A 3PL



3PL Red Flags You Can't Afford to Ignore



A Real Success Story from a Company that Cut Costs and Scaled with the Right 3PL Partner



Why Companies Start Looking for a **New 3PL**

Businesses typically search for a new 3PL for two main reasons: (1) something is not working with your current 3PL, or (2) your business is expanding.

When Something Isn't Working (Operational Pain Points)

Inventory inaccuracies or frequent mis-picks

Slow dock-to-stock times delaying inbound availability

Poor communication or delayed issue resolution

High or unpredictable costs

Lack of visibility into orders and inventory

Outdated warehouse technology

When Your Business Is Expanding

Entering new regions
(e.g., expanding distribution to the East Coast or Savannah corridor)

SKU expansion or increased complexity

Volume growth beyond current capacity

Need for better inventory control or multi-node distribution

add need for a capability not previously required
(shift from B2C only to now require B2B to retailers as an example)

Your business now requires capabilities you didn't need before
(e.g., shifting from B2C to also serving B2B retailers)

What to Look for in a 3PL Partner and the Capabilities Every Logistics Provider **Must Have** in 2026

Real-Time Data, Visibility & Integration

- Real-time dashboards and reporting on inventory levels, order status, and delivery performance.
- Seamless integration with your OMS/ WMS, ERP, and marketplace systems.
- IoT sensors or blockchain for traceability. This helps avoid stockouts, reduce errors, and improve decision-making.

Speed & Fulfillment Performance

- Fast picking, packing and outbound shipping.
- Optimized last-mile solutions (local hubs, dynamic routing).

Technology & Automation Capabilities

- Robust WMS with API/EDI connectivity.
- Real-time visibility, predictive analytics, and automated routing.

Communication & Service Transparency

- Clear service level agreements (SLAs) and performance measurement.
- Proactive, responsive support with dedicated account teams.
- Regular reporting and open issue escalation processes.

Flexibility & Scalability

- Handle fluctuations, seasonal peaks, or sudden surges in inventory without issues.
- Value-added services like kitting, returns management, and specialized packaging.
- Support expansion into new regions.

Sustainability & ESG Alignment

- Green Fulfillment practices (EV fleets, carbon tracking, recyclable packaging).
- Commitment to ethical labor and regulatory compliance.
- Alignment with your sustainability goals.

Cost Structure, Transparency, & Value Creation

- Transparent pricing without hidden fees.
- Logistics cost optimization through consolidation and smart routing.
- Demonstrate cost savings over time via efficiency improvements.

Industry Expertise & Network Reach

- Providers with domain knowledge in your industry or with complex distribution models.
- A network of warehouses and carriers that reduce transit times and costs.
- Experience navigating global trade challenges (customs, tariffs, cross-border logistics).

Strategic Partnership Mindset

- Help forecast demand and optimize inventory.
- Co-develop logistics strategies to build resilience.
- Share actionable insights to improve operational outcomes.
- Vendor-Managed Inventory



How to Catch Hidden Fees **Before** They Drain Your Margins

- ✓ **Ask** for a fully itemized rate card, not just base pricing. Hidden fees *usually* live in accessorials.
- ✓ **Request** sample invoices. This is the *fastest* way to see real fees they charge other clients.
- ✓ **Look** for vague categories like “special projects,” “miscellaneous,” or “extra handling” and get *extra* clarity around these categories.
- ✓ **Check** receiving fees: pallet vs. carton vs. unit pricing can *blow up* costs.
- ✓ **Review** storage rules *carefully* — overflow, slow-moving, or long-term storage fees can add up.
- ✓ **Confirm** carrier markup policies. Some 3PLs markup shipping rates *without* saying so.
- ✓ **Ask** about peak-season surcharges. *When* do they apply them and how much?
- ✓ **Clarify** minimums (order minimums, monthly minimums, storage minimums).
- ✓ **Ask** if there are fees for returns. Many 3PL’s charge per inspection, restock, or relabel.
- ✓ **Watch** for one-sided SLAs - you *may* get penalties while they avoid accountability.
- ✓ **The need** to establish clear, measurable cost metrics such as Cost per Unit to *ensure* transparency and prevent unexpected charges from eroding your margins.



The KPIs Your SLA Needs to **Protect** Your Business

KPI	Recommended Target	Notes
Order Accuracy	≥ 99.8%	Define as complete + correct + damage-free
Inventory Accuracy	≥ 99.5%	Cycle count program with monthly reporting
Dock-to-Stock	24–48 hours	Define exceptions and inbound profiles
OTIF	Channel-specific targets	Different for DTC vs. retail
Shrink	≤ 0.1 - 0.25%	Include RCA on variances

3PL Red Flags You *Can't Afford* To Ignore

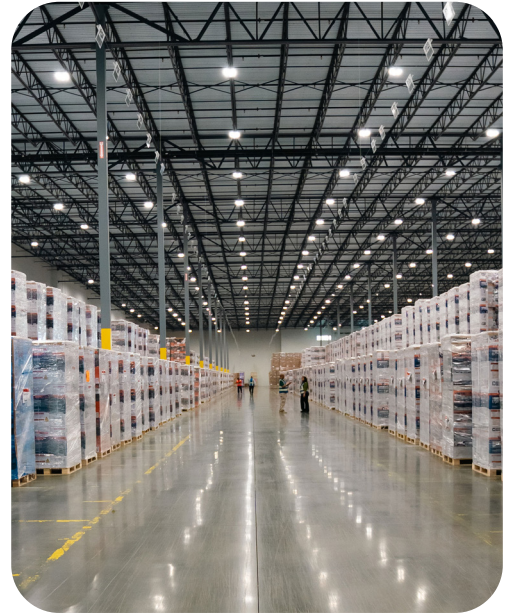
- ⊗ No real-time visibility into inventory or orders
- ⊗ Can't integrate with your systems (OMS/WMS/ERP)
- ⊗ Outdated WMS or manual spreadsheets
- ⊗ No automation or predictive analytics
- ⊗ Vague answers about handling spikes or seasonality
- ⊗ Limited value-added services (returns, kitting, packaging)
- ⊗ No clear SLA's for pick/pack/shipping items
- ⊗ Slow or inconsistent communication
- ⊗ No dedicated account manager
- ⊗ Hidden fees or unclear pricing
- ⊗ Weak sustainability practices or unclear labor standards
- ⊗ No strategic support (forecasting, optimization, insights)
- ⊗ No long-term relationships with clients
- ⊗ Frequent turnover

20 *Must-Ask* Questions When Evaluating A 3PL

1. What real-time dashboards and reporting capabilities do you provide for inventory, order status, and fulfillment performance?
2. How do you integrate with OMS/WMS, ERP platforms, and marketplaces (API/EDI)?
3. Do you support IoT sensors, RFID, or blockchain-based traceability, and what visibility does that provide?
4. What WMS do you operate on, and what level of API/EDI connectivity does it support?
5. Do you use forecasting, predictive analytics, or automated routing?
6. Which warehouse automation tools do you employ, and how do they improve accuracy or throughput?
7. How do you handle demand spikes, seasonal peaks, and unexpected surges?
8. Which value-added services do you provide such as kitting, returns processing, or specialized packaging?
9. Can your network scale into new regions or markets as our business grows?
10. What are your average picking, packing, and order turnaround times?



11. How do you optimize last-mile delivery through hubs, carrier mix, or dynamic routing?
12. What SLAs do you guarantee, and how is performance measured and reported?
13. Will we have a dedicated account manager or team, and what are your typical response times?
14. What does your issue escalation and communication process look like?
15. What sustainability initiatives do you support?
16. How do you ensure ethical labor practices and regulatory compliance across your facilities and carriers?
17. Can you provide fully transparent pricing, including all potential accessorial fees?
18. How do you help customers reduce logistics spend over time through optimization or consolidation?
19. What experience do you have in our industry, and how do you help clients forecast demand and improve inventory efficiency?
20. What is your ability to demonstrate operational consistency across sites?



Conclusion

Choosing a 3PL is one of the highest-impact decisions in your supply chain. The right partner improves customer satisfaction, reduces logistics costs, enhances visibility, builds resilience, and supports long-term growth. Whether you are outgrowing your current 3PL, facing operational challenges, or expanding, select a partner with warehousing expertise, modern technology, proactive communication, and scalability.

P.S. [Click here](#) to read about Jeffrey Court, one of our clients who achieved a 3.6% profit margin growth when they chose RBW as their 3PL partner.